



## **DEPARTMENT OF THE TREASURY**

### **Office of Foreign Assets Control**

#### **31 CFR Parts 544 and 560**

#### **Weapons of Mass Destruction Proliferators Sanctions Regulations and Iranian Transactions and Sanctions Regulations**

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Weapons of Mass Destruction Proliferators Sanctions Regulations (WMD Regulations) to update a note to describe how persons designated pursuant to the WMD Regulations for North Korea-related activities are identified on OFAC's Specially Designated Nationals and Blocked Persons List (SDN List). Specifically, OFAC is amending the note to explain that SDN List entries for these designated persons will include additional information regarding certain risks associated with dealings with such persons. Separately, OFAC is amending the Iranian Transactions and Sanctions Regulations to refine the list of organizations whose activities are authorized under the general license for the official business of certain international organizations, and to make a technical correction. OFAC is also making technical edits to the authority citations in both sets of regulations to conform to *Federal Register* guidance.

**DATES:** This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** OFAC: Assistant Director for Licensing, tel.: 202-622-2480; Assistant Director for Regulatory Affairs, tel.: 202-622-4855; or Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490.

**SUPPLEMENTARY INFORMATION:**

**Electronic Availability**

This document and additional information concerning OFAC are available on OFAC's website ([www.treasury.gov/ofac](http://www.treasury.gov/ofac)).

**Background**

*Weapons of Mass Destruction Proliferators Sanctions Regulations*

On April 13, 2009, OFAC issued the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 CFR part 544 (74 FR 16771, April 13, 2009) ("WMD Regulations"), to implement Executive Order 13382 of June 28, 2005 ("Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters") (E.O. 13382). Note 1 to paragraph (a) of § 544.201 of the WMD Regulations states that the names of persons listed in or designated pursuant to E.O. 13382 will be incorporated into OFAC's SDN List with the identifier "[NPWMD]." OFAC is amending this note to add text to explain that certain persons who are incorporated into OFAC's SDN List pursuant to § 544.201(a) of the WMD Regulations for engaging in North Korea-related WMD activities will have additional information in their SDN List entries about relevant provisions under the North Korea Sanctions Regulations, 31 CFR part 510 (NKSr). Specifically, engaging in certain transactions with persons blocked pursuant to § 544.201(a) in connection with North Korea-related WMD activities may result in the imposition of secondary sanctions, and therefore such blocked persons' entries on the SDN List will also include the descriptive prefix text "Secondary sanctions risk:", followed by information

about the applicable secondary sanctions authority. Additionally, pursuant to § 510.214 of the NKSR, persons owned or controlled by a U.S. financial institution are subject to certain prohibitions under the NKSR; as a result, the entries of certain persons blocked pursuant to § 544.201(a) of the WMD Regulations in connection with North-Korea related activities will also include the descriptive prefix text “Transactions Prohibited For Persons Owned or Controlled By U.S. Financial Institutions:”, followed by information about the applicable sanctions authority. Additionally, OFAC is amending the authority citation of the WMD Regulations to shorten citations to conform to *Federal Register* guidance.

#### *Iranian Transactions and Sanctions Regulations*

On October 22, 2012, OFAC published a final rule in the *Federal Register* reissuing the Iranian Transactions and Sanctions Regulations, 31 CFR part 560 in their entirety (77 FR 64664, October 22, 2012) (“ITSR”). Since then, OFAC has amended the ITSR on several occasions. This rule amends the general license at § 560.539 of the ITSR, which authorizes transactions for the conduct of the official business of several international organizations. OFAC is amending the list of organizations whose activities are authorized under the general license to include the United Nations’ Specialized Agencies, Programmes, Funds, and Related Organizations, as well as to refer to the World Bank as the “World Bank Group.” OFAC is also correcting a sequencing error of two identically numbered paragraphs in the ITSR, at § 560.701(a)(3), by redesignating the second occurrence of § 560.701(a)(3) as § 560.701(a)(4), and modifying a cross-reference accordingly. Finally, OFAC is amending the authority citation in the ITSR to shorten citations to conform to *Federal Register* guidance.

#### **Public Participation**

Because the amendment of the WMD Regulations and the ITSR involves a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of Executive Order 13771, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

### **Paperwork Reduction Act**

The collections of information related to the WMD Regulations and the ITSR are contained in 31 CFR part 501 (the “Reporting, Procedures and Penalties Regulations”). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been approved by the Office of Management and Budget under control number 1505-0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

### **List of Subjects**

#### **31 CFR Part 544**

Administrative practice and procedure, Banks, banking, Blocking of assets, Foreign trade, Penalties, Proliferation, Reporting and recordkeeping requirements, Sanctions, Securities, Services, Weapons of mass destruction.

#### **31 CFR Part 560**

Administrative practice and procedure, Banks, banking, Blocking of assets, Credit, Foreign trade, Iran, Penalties, Reporting and recordkeeping requirements, Sanctions, Securities, Services.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR parts 544 and 560 as follows:

**PART 544—WEAPONS OF MASS DESTRUCTION PROLIFERATORS SANCTIONS REGULATIONS**

1. The authority citation for part 544 is revised to read as follows:

**Authority:** 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200; E.O. 13382, 70 FR 38567, 3 CFR, 2005 Comp., p. 170.

**Subpart B—Prohibitions**

2. Revise Note 1 to paragraph (a) of § 544.201 to read as follows:

**§ 544.201 Prohibited transactions involving blocked property.**

(a) \* \* \*

**Note 1 to paragraph (a):** The names of persons listed in or designated pursuant to Executive Order 13382, whose property and interests in property therefore are blocked pursuant to paragraph (a) of this section, are published in the *Federal Register* and incorporated into the Office of Foreign Assets Control's (OFAC) Specially Designated Nationals and Blocked Persons List ("SDN List") with the identifier "[NPWMD]." Certain transactions with persons blocked pursuant to E.O. 13382 for activities involving North Korea or for activities involving persons designated pursuant to a North Korea sanctions authority may result in the imposition of secondary sanctions, and therefore such blocked persons' entries on the SDN List will include the descriptive prefix text "Secondary sanctions risk:", followed by information about the applicable secondary sanctions authority. Pursuant to 31 CFR 510.214 (the North Korea

Sanctions Regulations (NKSRR)), persons owned or controlled by a U.S. financial institution are subject to certain prohibitions under the NKSRR; as a result, the entries of persons blocked pursuant to E.O. 13382 in connection with North Korea-related activities will also include the descriptive prefix text “Transactions Prohibited For Persons Owned or Controlled By U.S. Financial Institutions:”, followed by information about the applicable sanctions authority. The SDN List is accessible through the following page on OFAC’s website:

*<http://www.treasury.gov/sdn>*. Additional information pertaining to the SDN List can be found in appendix A to this chapter. *See* § 544.411 concerning entities that may not be listed on the SDN List but whose property and interests in property are nevertheless blocked pursuant to paragraph (a) of this section.

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## **PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS**

3. The authority citation for part 560 is revised to read as follows:

**Authority:** 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 22 U.S.C. 2349aa-9; 22 U.S.C. 7201–7211; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 22 U.S.C. 8501–8551; 22 U.S.C. 8513a; 22 U.S.C. 8701–8795; E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13846, 83 FR 38939, 3 CFR, 2018 Comp., p. 854.

### **§ 560.215 [Amended]**

4. In § 560.215:

a. Remove “Note to paragraph (a) of §560.215” and add “Note 1 to paragraph (a)” in its place.

- b. Remove “Note to paragraph (b) of §560.215” and add “Note 2 to paragraph (b)” in its place.
  - c. Remove “Note to paragraph (c) of §560.215” and add “Note 3 to paragraph (c)” in its place.
  - d. Remove “Note to §560.215” and add “Note 4 to §560.215” in its place.
  - e. In newly designated note 4, remove “§ 560.701(a)(3) of this part” and add in its place “§ 560.701(a)(4)”.
5. Amend § 560.539 as follows:
- a. In paragraph (a) introductory text, remove “United Nations,” and add “United Nations and its Specialized Agencies, Programmes, Funds, and Related Organizations, including” in its place and add “Group” after “the World Bank”.
  - b. Add Note 1 to paragraph (a).

The addition reads as follows:

**§ 560.539 Official activities of certain international organizations.**

(a) \* \* \*

**Note 1 to paragraph (a):** For an organizational chart listing the Specialized Agencies, Programmes, Funds, and Related Organizations of the United Nations, see the following page on the United Nations website: *<http://www.unsceb.org/directory>*.

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**§ 560.701 [Amended]**

- 6. Amend § 560.701 by redesignating the second occurrence of paragraph (a)(3) as paragraph (a)(4).

Dated: September 28, 2020.

Andrea Gacki,  
Director, Office of Foreign Assets Control.

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